



February 4, 2020

*Revised July 13, 2020*

Department of the Army  
Los Angeles District, U.S. Army Corps of Engineers  
Attn: Shannon Pankratz  
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[Shannon.L.Pankratz@usace.army.mil](mailto:Shannon.L.Pankratz@usace.army.mil)

**RE: PETERSEN RANCH MITIGATION BANK 3<sup>RD</sup> CREDIT RELEASE [USACE FILE NO: SPL-2012-00669-BEM, CDFW TRACKING NO: 1798- 2013-04-R5]**

Dear Interagency Review Team:

With this letter Land Veritas (Bank Sponsor) formally requests the third credit release for Area E of the Petersen Ranch Mitigation Bank (Bank).

Sections VII.A.1.c, VII.C.1.c, and VII.D.2.a(3) of the Bank Enabling Instrument (BEI) state that the third credit release (up to an additional 15% of the total anticipated credits) shall occur when:

- i. The Bank Sponsor has submitted the Third Year Monitoring Report as required by the Development Plan;*
- ii. Year 3 Performance Standards have been attained;*
- iii. The Bank Sponsor funds a minimum of 40% of the Endowment Amount per Section VI.E.2b;*
- iv. Release 2 has occurred; and*
- v. A site-wide delineation will be conducted within the Bank Properties in year 3 following implementation of the Development Plan.*

Item (i) was completed on November 15, 2019 with the submission of the 2019 Third Year Annual Monitoring Report to the Interagency Review Team (IRT).

**Ex. 4 CBI**

# Ex. 4 CBI

Item (iii) was completed July 6, 2020 following IRT provisional approval that the other credit release requirements have been met and that the credits will be released. Per Exhibit D-2 of the BEI, the total Endowment Fund will include a long-term management account and an easement compliance account. The easement compliance account was fully funded prior to bank establishment. Upon IRT provisional approval, Land Veritas deposited **Ex. 4 CBI** into the Endowment Fund Account managed by the Southwest Resource Management Association (Table 6). Upon deposit, 40% of the total inflation adjusted long-term management amount for Area E was funded. Combined with the fully funded Easement Compliance Endowment, the total Endowment for the Bank is 57.7% funded. The deposit receipt for this most recent long-term management deposit amount is included as Attachment A.

Item (iv) was completed between July and August, 2018. On July 13, 2018, July 30, 2018, and August 9, 2018, the California Department of Fish and Wildlife (CDFW), United States Army Corps of Engineers (USACE), and the Lahontan Regional Water Quality Control Board (RWQCB), respectively, approved the second credit release for the Bank.

Item (v) was completed in Spring 2019 and the Area E Year 3 delineation report was submitted as an appendix to the 2019 Third Year Annual Monitoring Report.

Additionally, Land Veritas hosted a site visit for members of the Interagency Review Team on October 21, 2019.

The Bank's credit ledgers are attached to this letter for your review (Attachment B).

Finally, the Bank Sponsor is prepared to pay the proportionally appropriate amount of the CDFW Implementation Fee in full to CDFW following the procedures described in Sections VII.C.5 and VII.D.2(b) of the BEI. The amount to be funded will be equal to 15% of the total Implementation Fee. To date we have paid \$ **Ex. 4 CBI**, or 40% of the total Implementation Fee. The additional 15% Implementation Fee payment in the amount of **Ex. 4 CBI** will be paid no later than by the submittal of the 2020 Fourth Year Annual Monitoring Report, or November 15, 2020.

Based on the successful attainment of these release criteria, the Bank Sponsor requests that the IRT release all non-enhancement area credits associated with the third credit release as summarized in Tables 1 – 5.

Sincerely,



H. Tracey Brownfield, President  
Land Veritas Corp



Cc:

Sarvy Mahdavi, EPA Region IX

Melissa Scianni, EPA Region IX

Janice Gan, CDFW Region 5

Tiffany Steinert, Lahontan Regional Water Quality Control Board



# Ex. 4 CBI



# Ex. 4 CBI

Table 6. Endowment funding calculations. The entire Easement Compliance Endowment was funded in 2016.

Endowment Fund Financial Accounting		Easement Compliance Endowment	Long-Term Management Endowment	Total Area E Endowments
Original Amount Required 5/11/2016 <sup>1</sup>				
Adjusted Amount Based on 8.2% CPI as of Feb 2019 <sup>2</sup>				
Initial Deposit <sup>3</sup>	Amount			
	Deposit Date			
Deposit #1	Amount			
	Deposit Date			
Deposit #2	Amount			
	Deposit Date			
Deposit #3	Amount			
	Deposit Date			
Deposit #4	Amount			
	Deposit Date			
TOTAL DEPOSIT AMOUNT				
Percent Funded				
Net Amount of Investment Earnings, Gains, and Losses <sup>4</sup>				
Expenditures				
Current Balance				

Ex. 4 CBI

<sup>1</sup> Amount agreed upon in the BEI, executed on 05/11/2016.

<sup>2</sup> Endowment amounts are adjusted annually using Consumer Price Index (CPI) data from the California Department of Industrial Relations, Division of Labor Statistics and Research published in February of each year. Adjustments are made using the CPI adjustment for all urban consumers, and they are made by March 1<sup>st</sup> of each year until the Endowment Fund is fully funded. No data was available for May 2016 as the start date or March 2019 as the end date, so June 2016 and February 2019 were used instead, respectively.

<sup>3</sup> The easement compliance endowment was fully funded by the Bank Sponsor

<sup>4</sup> Including realized and unrealized earnings.



Attachment A

Long-Term Management Endowment Deposit #2 Receipt

# Receipt

## Southwest Resource Management Association

07-06-20  
Invoice #20-07-06

Southwest Resource Management Association  
4500 Glenwood Drive  
Riverside, CA 92501  
Phone 951-300-2844  
slamb@SRMA-CA.org

TO Tracey Brownfield  
LV Lake Elizabeth, LLC Corp  
LV-BP Investors Ranch, LLC

1505 Bridgeway, Suite 209  
Sausalito, CA 94965  
Phone 415-729-3733

Contact	Job	Payment Terms	Due Date
Tracey Brownfield	3rd <sup>d</sup> Credit Release for Area E-Lake Elizabeth LTM Endowment	Due on receipt	

Qty	Description	Unit Price	Line Total
1	Receipt of Check #1518 for the Lake Elizabeth-Area E, Long Term Management Endowment, 3rd Credit Release.		Ex. 4 CBI
Subtotal			Ex. 4 CBI
Paid			
Total Due			0

Make all checks payable to Southwest Resource Management Association

*Thank you for your business!*



# Ex. 4 CBI



Attachment B

Ledgers

# Ex. 4 CBI

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